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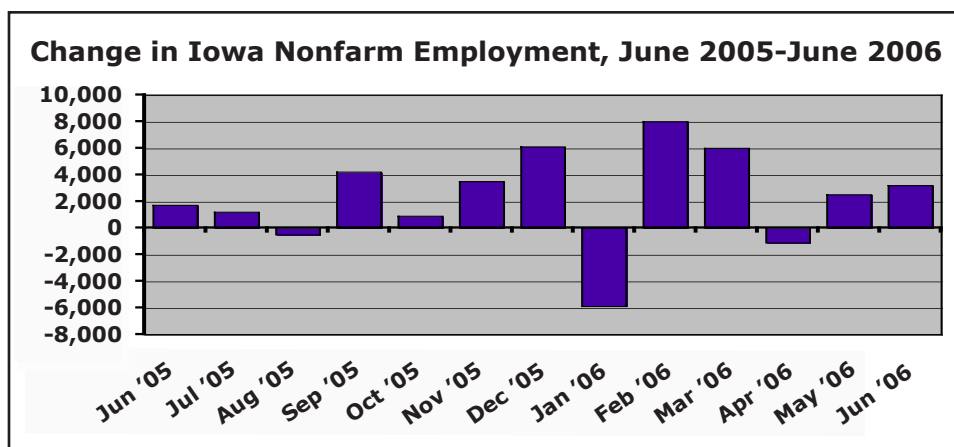
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Iowa Jobs Showing Slow Growth Unemployment Rate Rises to 3.6 Percent — But Nonfarm Jobs Also Up

MOUNT VERNON, Iowa (July 20, 2006) – Iowa saw slight improvement in nonfarm jobs during June despite an uptick in the unemployment rate after three straight months of declines.

“Both measures show improvement over the year,” said Elaine Ditsler, research associate for the nonpartisan Iowa Policy Project.

The 3.6 percent unemployment rate for June is up from 3.4 percent in May, but is a full percentage point better than it was a year earlier.



Source: Iowa Workforce Development

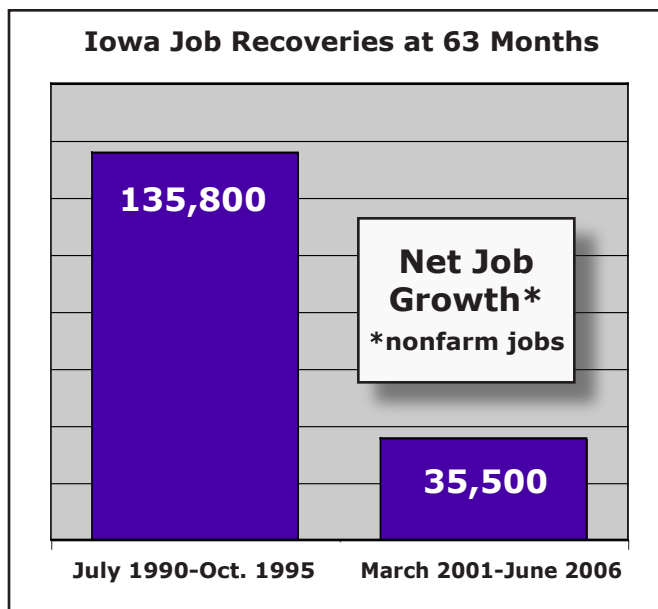
The separate measure of nonfarm employment rose by 3,200 in June, slightly ahead of the 2,300 average monthly growth over the past 12 months. Nonfarm jobs are up 28,100 over the year.

“This is very slow growth,” Ditsler said. “In the first six months of 2006, Iowa nonfarm jobs have grown at a slightly slower pace than in 2005.”

June marked the fourth time in the last six months that the unemployment rate and nonfarm employment showed opposite trends.

“The numbers may appear inconsistent, but they illustrate different things,” Ditsler said. “Nonfarm jobs are measured in a payroll survey of employers. The jobless rate comes from a smaller household survey.”

Nonfarm jobs are 35,500 ahead of the March 2001 start of the recession. At the same 63-month point after the start of the 1990 recession, Iowa had seen an increase of 135,800 payroll jobs.



“In other words, we’re still 100,000 jobs behind the pace of a strong recovery,” Ditsler said.

Iowa Workforce Development reported nonfarm job sectors increasing or holding their own in June, with the exception of a 400 drop in government jobs during the month. Professional and business services rose 1,000, with manufacturing up 700 and construction up 600. Financial activities, leisure and hospitality, and other services showed 400-job gains.

Key numbers following Thursday’s release of June employment figures from Iowa Workforce Development and the Bureau of Labor Statistics:

- Total nonfarm employment rose by 3,200 jobs to 1,508,400 in June. The figure is 28,100 higher than in June 2005, and 35,500 ahead of the level for jobs at the start of the national recession in March 2001.

- The unemployment rate rose to 3.6 percent in June from 3.4 percent in May.

- The labor force fell by 1,800, to 1,676,700 people working or looking for work.

The Iowa Policy Project (IPP) is a nonprofit, nonpartisan research organization based in Mount Vernon. IPP reports about job and income trends are on the web at www.iowapolicyproject.org.

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